

Title of Rule: Revisions to the Medicaid Eligibility Rules pursuant to changes set forth in the Balanced Budget Act of 1997 to offer up to 12-months of continuous eligibility, affecting Section 8.100.3

Rule Number: MSB 15-05-27-D

Division / Contact / Phone: Eligibility Division / Ana Bordallo / 3558

## STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

The proposed rule changes amend 10 CCR 2505-10 8.100.3 to provide up to 12-month continuous eligibility for additional categories of children who are under 19 years-old and enrolled in Medicaid. This rule will incorporate changes elected by the state under section 1902(e)(12) of the Social Security Act, which allows up to 12 months of continuous eligibility for children eligible under section 1902(a)(10)(A) of the Act. This rule will be a positive impact to children by providing continuity of care by reducing the likelihood that children will cycle on and off of Medicaid.

Children currently enrolled in MAGI-Medicaid already have continuous eligibility for up to 12 months, regardless of changes in income or household size. As such, the proposed rule will extend continuous eligibility to children enrolled in SSI Mandatory, Buy-In, Long-Term Care, Pickle, Disabled Adult Child (DAC) Medicaid programs. Continuous eligibility will also apply to children who no longer qualify for foster care services. Children who would have otherwise been discontinued from these programs due to changes in certain eligibility factors, such as income resources or household size, will now maintain coverage for up to 12 months. Under the proposed rule changes, the continuous eligibility period will end early under certain specified conditions, only.

By October, 2015, the Department will have updated the Colorado Benefits Management System (CBMS) to align it with our conditionally approved State Plan Amendment implementing this extended continuous eligibility for children. Once CBMS has been updated, CMS has represented that it will give final approval to our state plan Amendment.

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or

for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

Initial Review

**07/10/2015**

Final Adoption

**08/14/2015**

Proposed Effective Date

**10/01/2015**

Emergency Adoption

**DOCUMENT #03**

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The Balanced Budget Act of 1997, 1902(e)(12) of the Social Security Act and 1902(a)(10)(A)

4. State Authority for the Rule:

25.5-1-301 through 25.5-1-303, C.R.S. (2014);  
C.R.S.§ 25.5-5-204.5.

Initial Review **07/10/2015**

Final Adoption **08/14/2015**

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## REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

The proposed rule will affect children currently enrolled in the SSI Mandatory, Buy-In and the Long Term Care Medicaid programs. Continuous eligibility will also apply to children who no longer qualify for Foster Care services. Children that would have otherwise be discontinued from these Medicaid programs will maintain coverage for up to 12 months of continuous eligibility, regardless of changes in the family's circumstances, with some exceptions.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

Children that would have otherwise been discontinued from the Medicaid program will maintain coverage for up to 12 months of continuous eligibility; this ensures continuity of care for children, which should have a positive impact on health outcomes.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

Continuous eligibility was applied to low-income children enrolled in the MAGI -Medicaid and the Children's Health Plan Plus program in March 2014. The proposed rule change primarily affects children who are unlikely to experience fluctuations in income because their eligibility is based on disability or foster care. This analysis does include all children eligible for the Medicaid program.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

The change is federally required. Inaction is not an option as it would out the State at significant risk of losing federal funding.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

There are no alternatives as the changes are necessary for compliance with federal regulations.

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6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

There are no alternative methods for the proposed rule that were considered.

1 **8.100.3. Q. Continuous Eligibility (CE) for Medical Assistance programs**

- 2 1. Continuous eligibility applies to children under age 19, who ~~through an eligibility are~~  
3 ~~determinationed, reassessment or redetermin~~redetermination, are found ~~ed~~ eligible for a  
4 Medical Assistance program. ~~s~~ The continuous eligibility period may last for up to ~~twelve~~  
5 ~~(12)~~ months.
- 6 a. The continuous eligibility period applies without regard to changes in income or  
7 other factors that would otherwise cause the child to be ineligible.
- 8 i.) A 14-day no fault period shall ~~begin on the date the child is~~ ~~applied to~~  
9 ~~correct information upon being~~ determined eligible for ~~M~~medical  
10 ~~Assistance. During the~~ ~~This means that corrections to eligibility~~  
11 ~~information made within the first 14-day period, any changes to income~~  
12 ~~or other factors made to the child's case during the 14-day no fault~~  
13 ~~period may change his or her~~ ~~s~~ will redetermine eligibility. ~~This will cause~~  
14 ~~for eligibility~~ ~~for to be determined for another~~ ~~M~~medical ~~A~~assistance  
15 ~~program or be ineligible, if applicable.~~
- 16 b. Exception: A child's continuous eligibility period will end effective the earliest  
17 possible month if any of the following occur:
- 18 i) Child is deceased
- 19 ii) Becomes an inmate of a public institution
- 20 iii) ~~The child is~~ no longer part of the Medical Assistance required household  
21 ~~living in the home~~
- 22 iv) Is no longer a Colorado resident
- 23 v) Is unable to be located based on evidence or reasonable assumption
- 24 vi) Requests to be withdrawn from continuous eligibility
- 25 vii) Fails to provide documentation during a reasonable opportunity period as  
26 specified in section 8.100.3.H.9
- 27 viii) Fails to comply in resolving an income discrepancy as outlined in section  
28 8.100.4.C.2
- 29 2. ~~The c~~Continuous eligibility ~~period will begin on the month of~~ ~~is~~ applicable ~~or from the~~  
30 ~~authorization date. Continuous eligibility is applicable~~ to children enrolled in the following  
31 Medical Assistance programs:
- 32 a. ~~Children eligible for the~~ MAGI-Medical Assistance, program ~~as~~ specified in  
33 section 8.100.4.G.2
- 34 b. ~~Children eligible for~~ SSI Mandatory, as specified in section 8.100.6.C
- 35 i.) ~~When a child is no longer eligible for SSI Mandatory they will be~~  
36 ~~categorized as eligible within the MAGI-Child category for the remainder~~  
37 ~~of the eligibility period.~~

1 c. Long-Term Care services

2 i.) When a child is no longer eligible for Long-Term Care services they will  
3 be categorized as eligible within the MAGI- Child category for the  
4 remainder of the eligibility period.

5 de. Children eligible in the Medicaid Buy-In program specified in section 8.100.6.Q

6 i) Exception: Enrollment will be discontinued if there is a failure to pay  
7 premiums

8 e. Pickle

9 f. Disabled Adult Child DAC)

10 3. Children, under the age of 19, no longer enrolled in Foster Care Medicaid will be eligible  
11 for the MAGI-Medical Assistance program. The continuous eligibility period will begin the  
12 month the child is no longer enrolled in Foster Care Medicaid as long as they meet one of  
13 the following conditions~~exceptions~~:

14 a. Begin living with other Relatives

15 b. Are reunited with Parents

16 c. Have received guardianship

17